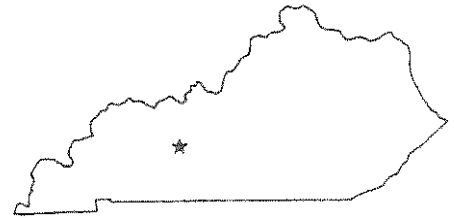


HUGH C. EVANS
BUTLER COUNTY JUDGE EXECUTIVE
P.O. BOX 626
MORGANTOWN, KENTUCKY 42261

PHONE (270) 526-3433



May 23, 2006

Tennessee Valley Authority Board of Directors
Transmission Access Hearing Comments
400 West Summit Hill Drive
Knoxville, TN 37902

Dear Sir or Madam,

As Judge-Executive of Butler County I want to express my concern to Warren Rural Electric's (WRECC) decision to leave TVA. I understand that WRECC will be securing power from Eastern Kentucky Power Cooperative (EKPC) in 2008.

First and foremost, I feel the citizens of Butler and surrounding counties that are served by WRECC were not given a voice regarding this matter. There were no public discussions with concerned members before WRECC made the decision to leave TVA.

I understand the EKPC will pass on to WRECC members their indebtedness for their proposed new Mason County KY generating facility and for the new and upgraded transmission lines they propose to build. According to Gerald Hayes, WRECC CEO, there will be an approximately \$500 million indebtedness for the new generation and transmission capital investment. This will be paid by WRECC over the 33 year life of the contract. This does not seem like a "more economical choice" nor does it provide "future rate stability". There is no evidence that EKPC can provide better rates than TVA in the near future much less the distant future. Because rates will likely change, I feel the citizens of these counties should have been deservedly notified and given the opportunity to express concern and voice any questions.

In addition, there are landowners whose property will be devalued and damaged by new lines that EKPC proposes to build. One option was for EKPC to serve WRECC through existing transmission lines. Some of these landowners have prime farmland, archaeological and historic landmarks. I'm sure you will agree that this option is far more suited and convenient for WRECC members whose land this will affect.

TVA has contributed considerable assistance to the residents of Butler County. To name a few, TVA has assisted in building the first speculation building in the county. They have worked with our county to provide low interest money to help new industry locate

here. They have worked with Butler County officials to recruit new industry. TVA has also provided many valuable jobs for Butler County citizens at the Paradise Steam Plant in neighboring Muhlenburg County.

Furthermore the estimated tax income by EKPC is approximately \$12,000.00 to Butler County and approximately \$26,000.00 to Butler County Schools per year. However, TVA, in lieu of taxes, provided roughly \$42,000.00 to 45,000.00 to Butler County and \$140,000.00 to 145,000.00 to Butler County schools per year. I'm sure you will agree this is certainly quite a difference.

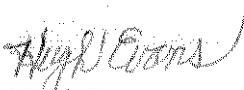
EKPC has stated on occasion that if they were allowed to use existing TVA lines they would not need to build all of their proposed new 96 mile line. On other occasions they have stated that even if TVA lines were available, they would build new lines anyway. However, they would not be justified for destructing and mutilating prime farmland for new rights of way. Therefore, I support the proposal that TVA allow EKPC to use existing lines. I also support that just and fair compensation be paid to TVA for this compromise.

Butler Countians do not have anything against EKPC providing power to its residents, but we feel that their methods of doing so do not have Butler County's best interest in mind.

I feel that community input, communication, and cooperation should have been a key issue. It is regrettable that discussions and public forums were not held before WRECC made the decision to leave TVA.

I certainly appreciate the opportunity to express my concern regarding this matter. I would ask the TVA Board to do what it can to protect the interests of its long-term customers and land owners.

Sincerely,



Hugh Evans
Butler County Judge-Executive